

In the Matter of:

*The State of Mississippi Rel. Jim Hood, Attorney
General for the State of Mississippi*

vs.

*Entergy Mississippi, Inc., Entergy Corporation,
et al*

Spencer S. Yang, Ph.D.

February 22, 2018

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1 THE WITNESS:

2 Plaintiffs is complaining about
3 Entergy's misconduct, fraud and deceptive
4 practices, and my understanding is that
5 plaintiffs is not challenging the retail
6 structure. And, of course, because of
7 the Entergy's misconduct, it may
8 translate ultimately into the inflators
9 -- inflated monthly bill for Mississippi
10 ratepayers, but that's not the essential
11 aspect of this case. This case is about
12 misconduct, fraud, and deception, and as
13 a result, Mississippi ratepayers
14 suffered.

15 EXAMINATION BY MR. BREEDVELD:

16 Q. Did you participate in developing
17 the Bates White report on behalf of Mississippi
18 Public Service Commission with regard to the
19 subject of EMI's proposal to join MISO?

20 A. I vaguely recall that I made some
21 contribution on that, but while I'm sitting
22 here, unless you provide the documents, I
23 cannot exactly what contribution I was making
24 in that case.

25 Q. Let me go back to damages real

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1 I understand.

2 THE WITNESS:

3 Right.

4 EXAMINATION BY MR. BREEDVELD:

5 Q. I just want to know if you've seen
6 them before.

7 A. Yeah, I've seen them before.

8 MR. BREEDVELD:

9 It's probably a good time to stop
10 and look over my notes, if that works for
11 you.

12 MR. PIONTEK:

13 All right.

14 (Whereupon a recess was taken at
15 1:56 P.M., and the proceedings reconvened
16 at 2:18 P.M.)

17 EXAMINATION BY MR. BREEDVELD:

18 Q. I'm going to hand you what's been
19 marked as Deposition Exhibit No. 3. If you
20 will identify that for the record, please.
21 Probably the second page is your best title.

22 A. (Witness examines document.)

23 I see the title.

24 Q. Can you go ahead and read it into
25 the record for me?

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1 A. Title is Evaluation of the Entergy
2 Mississippi Proposal to Join MISO. (As read.)

3 Q. And this was a report prepared by
4 Bates White; is that correct?

5 A. That's right.

6 Q. And I think we talked earlier in the
7 deposition, you said you participated to some
8 extent in the development of this report?

9 A. That's right.

10 Q. Will you turn to page 16 for me?

11 A. Page --

12 Q. 16.

13 A. 16. Well, first of all, my
14 participation is de minimus, probably most
15 likely answering questions, and it was very
16 short. So I haven't read this testimony. I
17 never wrote any portion of this testimony. So
18 I could read it, but remember that I didn't
19 contribute anything in terms of writing this
20 testimony.

21 Q. All right.

22 A. What page you said?

23 Q. 16.

24 A. 16.

25 Q. I'm going to ask you under that

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1 Section 3.1.6, the QF put benefit --

2 A. Yes.

3 Q. -- if you will read the first two
4 paragraphs there. And then let me know when
5 you're done.

6 A. (Witness examines document.)

7 Okay. I finished reading.

8 Q. I'm going to ask a question about
9 the first two sentences in the second paragraph
10 there. I'm going to read them into the record
11 just so we've got it.

12 Those sentences read, The main
13 factor in reducing production cost in the joint
14 RTO cases is the elimination or rationalization
15 of the current requirement that Entergy
16 purchase significant volumes of energy from
17 qualifying facilities, QFs, on an as-available
18 basis. Because this QF put energy is not
19 scheduled in advance, Entergy is obligated in
20 the status quo to commit its system resources
21 as if the QFs are not expected to generate and
22 to accommodate and purchase generation when it
23 does materialize -- purchase the generation
24 when it does materialize. This imposes
25 significant inefficiencies on the system. (As

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1 read.)

2 Do you have any reason to disagree
3 with that passage of this Bates White report?

4 A. I agree with this.

5 Q. And circling back around to some of
6 our earlier discussion, you're not challenging
7 the amounts of flexible resources or reserves
8 that the system is committing and dispatching.
9 You're just challenging what resources were
10 used to do so, is what it really boils down to;
11 right?

12 MR. PIONTEK:

13 Object to the form; mischaracterizes
14 his testimony.

15 THE WITNESS:

16 Again, as I said, the -- Entergy as
17 a system has to meet varying loads at all
18 times.

19 EXAMINATION BY MR. BREEDVELD:

20 Q. And maintain reserves?

21 A. Maintain reserves.

22 Q. Okay. And your point is you just
23 think they're using the wrong resources to do
24 it?

25 MR. PIONTEK:

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WITNESS' CERTIFICATE

I have read or have had read to me
the foregoing transcript and find same to be
true and correct with the exception of any
changes or corrections listed on the attached
amendment sheet.

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DATE SIGNED

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REPORTER'S CERTIFICATE

This certification is valid only for a transcript accompanied by my original signature and original required seal on this page.

I, Kathy Shaw-Gallagher, Certified Court Reporter in and for the State of Louisiana, as the officer before whom this testimony was taken, do hereby certify that SPENCER S. YANG, Ph.D., to whom oath was administered, after having been duly sworn by me upon authority of R.S. 37:2554, did testify as hereinabove set forth in the foregoing 180 pages; that this testimony was reported by me in stenotype reporting method, was prepared and transcribed by me or under my personal direction and supervision, and is a true and correct transcript to the best of my ability and understanding; that the transcript has been prepared in compliance with transcript format guidelines required by statute or by rules of the board, and that I am informed about the complete arrangement, financial or otherwise, with the person or entity making arrangements for deposition services; that I have acted in compliance with the prohibition on contractual relationships, as defined by Louisiana Code of Civil Procedure Article 1434 and in rules and advisory opinions of the board; that I have no actual knowledge of any prohibited employment or contractual relationship, direct or indirect, between a court reporting firm and any party litigant in this matter nor is there any such relationship between myself and a party litigant in this matter nor is there any such relationship between myself and a party litigant in this matter; I am not related to counsel or to the parties herein, nor am I otherwise interested in the outcome of this matter.

KATHY SHAW-GALLAGHER, CCR, RPR
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